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FM AMEMBASSY CARACAS
TO SECSTATE WASHDC PRIORITY 3013
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UNCLAS CARACAS 000568

CFSC FOR APAY CARACAS
STATE FOR WHA/EX/PMO - MICHAEL KELLY AND WHA/EX/CMD - SANDRA HEMBY

E.O. 12958: N/A

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SUBJECT: VENEZUELAN SOCIAL SECURITY LAW, INCREASED MANDATORY
CONTRIBUTIONS

¶1. Summary: The government of Venezuela has increased the monthly minimum wage from BF. 799.23 to BF. 879.15 effective May 1, 2009 as per official gazette no. 39.151, dated April 1, 2009. The salary ceiling from which social security, unemployment, childcare, and retirement contributions are required was raised from Bs. 3,996.15 to 4,395.75 monthly. This will increase contributions for employer and employee. End summary.

¶3. Unemployment insurance is tied into the social security system and also states that the salary for contributions established for unemployment insurance is based on five times the monthly minimum urban wage. The salary ceiling is now Bs. 879.15 and the employer contribution remains 2.00% and the employee contribution is 0.50% of the adjusted salary.

Caulfield